

WASHINGTON TIMES
27 January 1987

Contras' accuser pleads guilty to cocaine smuggling

By Michael Hedges
THE WASHINGTON TIMES

Jorge "George" Morales, the ex-speedboat racer who claimed he knew of drug smuggling by the Nicaraguan resistance, pleaded guilty in south Florida yesterday to two counts of conspiring to smuggle cocaine.

Prosecutors deleted a stipulation from a plea agreement that would have forced Morales to testify before congressional committees and other investigative groups, sources said.

According to those sources, his testimony would have disputed many of his previous claims about drug and gun smuggling by the rebels fighting Nicaragua's Marxist Sandinista regime.

Claims by Morales of having witnessed drug deals involving Contra leaders, the CIA and other federal law enforcement officers have been widely reported. A recent Newsweek magazine story quoted him as saying U.S. officials helped the Contra leaders run drugs out of Costa Rica and guns in.

"The Contras didn't give a damn where the money came from," he said.

The Drug Enforcement Administration in Miami has dismissed his charges as "absurd." Federal attor-

neys said it is possible Morales knew of some drug smugglers in his network who also had tenuous connections to Contra groups.

"Nothing he has is going to link up with the [Contra] leadership," said one source familiar with the case.

Morales will be sentenced March 13, after a presentence report is prepared by parole and probation officials.

Under the terms of the plea agreement, prosecutors recommended that Morales' sentence be capped at 20 years. But U.S. District Judge James Paine can decide to ignore the recommendation and impose the maximum sentence of two life terms.

The final agreement between Morales and federal prosecutors was

changed over the weekend because of questions about the legality of forcing Morales to testify, according to sources familiar with the deal.

In addition, prosecutors did not want to make it appear Morales was recanting his charges of Contra

smuggling as part of a deal, the sources said.

"He would have been compelled to testify. It said if he did not come forward and testify, his plea agreement would be violated," a source said.

The final agreement leaves Morales free to give testimony to Sen. John F. Kerry, Massachusetts Democrat, or others investigating his charges of Contra violations.

It said, "Any refusal to give testimony or the intentional giving of false, misleading or incomplete information will subject George Morales to legal process and penalties. . . ."

"We didn't want him to be able to say we were keeping him from testifying," said a source. "He's in a box now. If he is subpoenaed [by congressional investigators], he will have to make his charges under oath,

with penalties if he lies."

Morales is one of the key witnesses used by Mr. Kerry and others seeking to block further aid to the Nicaraguan resistance and to tie drug and gun smuggling to the resistance.

Federal investigators say they are continuing to explore information provided by Morales and others that could shed light on the highly involved interactions of smugglers in south Florida and Latin America involved in making profits from drugs and guns, without concern for the politics of Central America.

"Gun running has always gone hand-and-hand with drug running," said a source. "This predates the Contras down here."

Morales yesterday pleaded guilty to two conspiracy charges involving plans to smuggle between 1,100 kilo-

grams and 1,500 kilograms of cocaine into the United States through Costa Rica.

The indictment returned against him in Miami last June said he met with a DEA informant and a federal agent at his Fort Lauderdale home in January 1986. The informant, a pilot, agreed to pick up three loads of cocaine in Costa Rica for total payment of \$375,000.

The first load was flown into Grand Harbour Cay in the Bahamas, where a violent thunderstorm prevented its seizure. Part of the cocaine was later recovered by Bahamian police.

Morales, 37, was a champion powerboat racer, having once set a world record for making a run from Miami to New York City in under 20 hours, to win a \$500,000 prize.